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Revitalizing public administration

Role of human resources in revitalizing public administration

Report of the Secretariat

Summary

People are the lifeblood of any organization and the agents of reform and renewal in public administration. The knowledge, skills, values and attitudes of public servants are at the heart of State performance. The revitalization of public administration, however, must be seen from a holistic perspective. For example, the training of individuals cannot be isolated from the performance expectations of a specific function or position. Performance and human resources development plans for staff cannot be separated from the goals and service objectives of the employing organization, and goals and organizational structure cannot be disconnected from an understanding of the policy framework, including demand for services from the respective citizens. At the same time, the goals, priorities and performance objectives of an organization cannot be determined outside the broader national and government policy agenda and macro-socio-economic framework.

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Political leadership is the prime mover in bringing about alignment between capacity-building efforts of the public administration system and national development goals. Without effective and determined leadership, it is difficult to revitalize public administration in any country. While the importance of developing sound policy and institutional frameworks for revitalizing public administration cannot be overemphasized, it is leadership that primarily drives the change process. A major weakness of many public sector reform programmes, in fact, has been the lack of genuine leadership commitment to those efforts. These ingredients, policy and institutional reform and leadership commitment, are therefore essential prerequisites for the formulation of a strategy to strengthen the capacity of human capital in order to revitalize public administration at the national level. The present report stresses that reform of public administration is a long-term process, requiring the adoption of a comprehensive strategy that fosters the development of core capacities to provide leadership; to formulate sound public policies; to foster greater performance-orientation in service delivery; and to enhance professionalism in public management.

I. Introduction

1. At its first session in July 2002, the United Nations Committee of Experts on Public Administration (UNCEPA) identified six priority areas in which Member States could build their capacity to implement the Millennium Declaration, including: "the public sector must develop a strategy to recruit and retain its fair share of the best talent".[1] That key issue was extensively discussed at the Second Session of UNCEPA in April 2003, which concluded, "that revitalizing and revalidating public administration to enable the State to perform its changing role and to better serve citizens was an overarching priority for all countries".[2] Moreover, the Committee at its Second Session "stressed that human resources capacity was critical to the quality of public administration. Indeed, the increasing complexity of both policy-making and administrative processes, as well as the erosion of human resources capacity to carry out those core functions, is making it difficult for many Member States to implement the goals of reducing poverty and promoting sustainable human development, as emphasized in the Millennium Development Goals".[3]

2. The present report asserts that the realization of national development goals is largely determined by the quality of the human resources in the public sector. The importance of following a holistic and home-grown approach to capacity development is particularly emphasized, if Governments are to be able to create a "virtuous circle" where investments in human capital will help to revitalize public administration at the country level. The review of the critical issues underpinning the role of human resources in transforming the quality of public administration is guided by the following set of questions:

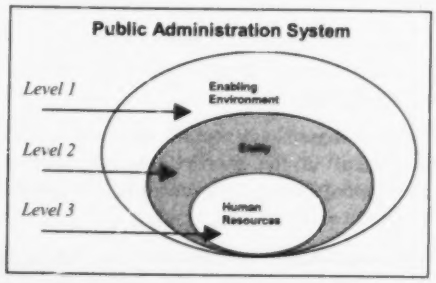
- What are the main causes of erosion in human resources capacities in the public sector and how can these challenges be most effectively addressed?
- While educational and professional qualifications of senior civil servants in most developing countries have increased dramatically during the past two decades, why has there not been a commensurate improvement in the quality of public administration, including service delivery?
- Why is it so important to follow a holistic and country-driven approach in the formulation of a strategy to revitalize public administration?
- To what extent can developing countries rely on civil service models originating in more economically advanced countries to reform human resources management practices?
- What is the role of merit-based recruitment and promotion in transforming the quality of human capital in the public service? How can more qualified women, as well as minority groups, be recruited and promoted through merit-based systems in the civil service?
- What is the role of remuneration in attracting and retaining highly competent staff in the public sector, particularly considering the current labour market conditions?
- To what extent should developing countries devolve human resources management functions to ministries and departments?

- What are the strengths and weaknesses of the New Public Management model and the career-based system, respectively, from the perspective of human resources management in the public service?
- What criteria could guide Governments in the selection of institutional models to deliver capacity development and training of staff in the public sector?
- What is the role of leadership in revitalizing public administration?
- What role should the United Nations play in facilitating the necessary capacity-building in Member States?

II. Transforming the role of human resources

A. Developing a holistic and country-driven approach

3. Capacity development of the public administration system is both a process and a goal. A strategy to revitalize public administration will require simultaneous capacity development at three main levels, namely, (a) the enabling environment, (b) the entity level, and (c) human resources (see figure below). The enabling environment is generally defined as the policy, legal and regulatory framework governing public management; accountability structures; broader relationship within the governance system; as well as resource flows. Capacity development at the entity level would entail strengthening of dimensions, such as the organizational vision, mission and strategy; culture, structure and competencies; processes; human, financial and information resources; interrelationships with key stakeholders; and infrastructure. At the human resources level, capacity-building would particularly focus on professional competencies; performance management; values, ethics and attitudes; communications skills; and interrelationships and teamwork in the workplace. Capacity development of human resources in the public sector, however, cannot be isolated from reform at the enabling environment and organizational levels. For example, legal and policy frameworks and institutional structures and operational rules and procedures greatly impact on issues of recruitment, deployment, promotion, motivation, morale and performance of employees.



4. In developing a strategy to revitalize public administration, it has to be borne in mind that the public sector is composed of many different types of organizations that have been created to meet specific needs of the public. Over a period of time, those entities have developed their own unique character and organizational culture.

That heterogeneity of institutional models[4] and organizational cultures in the public sector has to be taken into account in the development of a strategy to revitalize public administration, as it will involve a different mix of capacity development measures. Also, understanding the complex interaction of capabilities, culture, information and incentives in a particular country context, is inherently difficult. For those reasons, emboldening the civil service from a position of weakness is always going to be a major endeavour, requiring a combination of long-term strategy and short-term measures.

5. Recent efforts to reform public administration have generally included the redefinition of the role of the State in public management, as well as greater emphasis on collaboration with the private sector and civil society in service delivery. In most instances, the objective of those efforts has been to refocus and strengthen the capacities of the public sector to meet ever-growing economic, social and environmental challenges. The State is increasingly expected to reform, to decentralize, and to contract out in order to become more efficient and responsive. The principle of efficiency has very much assumed central importance in today's public management. One apparent implication of that shift in societal values is the changing role of senior civil servants in public management. For example, an underlying trend seems to suggest that senior civil servants are gradually becoming more political and less technical, as public institutions assume more operational autonomy, and citizens' demand enhanced efficiency and responsiveness in service delivery.

6. In the long run, sustainable institutions can only be built within a public administration system that fosters adequate checks and balances through core institutions, such as parliament, the judiciary, and oversight bodies, as well as clear separation of powers among the three branches of the State.[5] But, before embarking on a major programme to revitalize public administration, government leaders need to carefully diagnose the inherited conditions. It is impossible, or at least impractical, to develop capacities without knowing what the weaknesses are. Capacity assessment is a process whereby the various dimensions of capacity are professionally assessed and evaluated within a particular context. A carefully conducted capacity assessment can therefore inform the adoption of a country-driven institutional framework, including the development of key success factors, as well as the identification and promotion of common values, standards and professional competencies of staff.

7. The central premise of the present paper is that people are the lifeblood of any organization and the agents of reform and renewal in public administration. The knowledge, skills, values and attitudes of public servants are at the heart of State performance. All four attributes have to be developed simultaneously if marked improvement is to be achieved in the performance of organizations. In some countries, for example, it can be argued that despite major progress in building up the knowledge and skills of senior civil servants, insufficient attention has been devoted to the development of values and attitudes of staff that underpin the culture of organizations. Improved human resources management, through skilled, competent and motivated staff, and empowered, responsible and accountable managers, is therefore very much the foundation for more effective service delivery in the public sector.

8. Despite being faced with new and complex challenges, many developing countries are simultaneously experiencing significant brain drain in the public sector,[6] resulting in major erosion of managerial, technical and administrative capacity. The brain drain has been caused by a number of interrelated factors, such as more attractive remuneration in the private and non-governmental sectors; loss of pride in the concept of public service; increased politicization and lowering of professional standards; and gradual decay of national governance systems. Together, those factors have contributed to the diminishing of prestige and social value of employment in the public sector. Reversing that erosion of human capital, and transforming people into an engine of change and renewal in public administration will require both visionary leadership and strategic planning and management.

9. Political leadership plays a particularly important role by articulating the vision for reform, by providing a sense of direction, and by imbuing staff with a feeling of collective responsibility for realizing the agreed goals and strategies. It is leadership — both political and administrative — that primarily drives the change process. That lesson has been amply demonstrated in numerous countries where major upgrading of both policy and legal frameworks and the knowledge and skills of senior officials in the civil service has not resulted in commensurate gains in administrative quality and efficiency in the public sector. That is a dilemma that Governments need to address if they are to make any fundamental improvements in the delivery of services to the public. A major weakness of many reform initiatives has undoubtedly been a lack of sustained leadership commitment. While countries successful in strengthening public administration pursued different reform strategies, they all had in common leadership that possessed the political courage and determination to make difficult decisions and to implement the agreed strategies.

B. Creating an enabling environment

10. The civil service is under severe strain in many countries due to various converging factors. A greater role for the private sector in national development, for example, has shifted the responsibility of public administration from operating the economy to steering and facilitating it. That realignment of responsibilities within the governance system has, inter alia, increased the need for public administration capacity to coordinate, to formulate policy options, to resolve conflicts, to promote private sector development, to manage subcontracts, and to enforce legal and regulatory frameworks. Changing social values are also exerting a major impact upon the character and operations of the civil service worldwide. Together, all those trends require new human resources competencies, professional behaviour and values of civil servants.

11. Recent changes in labour markets are also providing talented staff with unprecedented opportunities for career mobility and professional growth. The demand for highly competent staff in many developing countries is shifting as the result of growth in employment opportunities in the private and non-governmental sectors. That shift in demand for skilled staff would normally result in higher wages for senior staff in the civil service according to economic theory. However, salary decisions in the public sector very seldom follow such a flexible pattern. The perceived inability of the public sector in many countries to offer competitive conditions of service to highly competent staff is making it much harder for

Governments to attract and retain highly skilled civil servants. Enhanced demand for quality staff has therefore heightened the importance of adequate monetary rewards in attracting and retaining quality employees in the public sector. Those competitive pressures have also increased the role of other key non-monetary rewards, such as improved career opportunities and greater empowerment of highly competent and dedicated staff in the workplace.

1. Restoring pride in the concept of public service

12. Traditionally, talented young people have opted to join the public service because of opportunities for challenging work, prestige and career advancement potential. Career development prospects, in fact, have generally been considered a determining factor in retaining highly competent staff in the civil service. But more recently, other variables, such as, remuneration and the professional image of the public sector, have assumed great importance as well. At the same time, the required competencies of civil servants are rapidly changing owing to many converging factors at the local, national and global levels. Governments therefore need to put in place an enabling environment and appropriate incentives to promote the retention of high-quality staff in the public service. To achieve that goal, Governments will have to devote more resources towards enhancing the image of the public service. That also includes raising the profile of outstanding public servants; providing interesting learning and training opportunities for deserving staff; offering top young graduates an attractive career in the public service; conducting orientation programmes for new staff; encouraging the media to report more from the work of public servants; organizing special events and open houses to publicize the work of public organizations; introducing awards for excellent team as well as individual performance; and celebrating a "Public Service Day", etc.

13. The ongoing erosion of public service capacities is clearly one of the signal phenomena of our times.[7] That erosion takes on numerous forms, but is widespread throughout the world. In almost every country, it manifests itself in the loss of prestige and diminished attraction of the public service profession, which until very recently, was an avenue of choice for young and talented individuals in many countries. The decline in the prestige of the public service has greatly undermined the ability of the State to fulfil its constitutional mandate. In some developing countries, with high unemployment rates, the public service is now regarded as the avenue of last resort from prevailing uncertainties. Even so, it is the unskilled, or those with limited marketable aptitudes, whom the Government is able to attract. At the highest levels, the public service is having great difficulty attracting competent specialists, policy advisers and managers. It seems that that erosion in human resources capacities in the public sector has reached critical proportions in many parts of the world, particularly considering the growing demands of citizens for enhanced efficiency and responsiveness in service delivery. Whether perceived or real, the trend towards politicization and privatization of every public sphere has meant for public servants a growing sense that they no longer serve the "common good", the citizen or the State, but rather an individual, or a minister.

14. A values shift has clearly taken place in many countries as it relates to the relative importance of public sector employment vis-à-vis the private sector. That shift has eroded in a major way the image of the public service and turned the private sector into an "employer of choice" for most well-educated and talented young people. That trend is not likely to be reversed without a convincing response

by the State, including addressing the issue of pride in public sector employment; the remuneration of civil servants; better definition of the role of the State in public management; development of core competencies of staff; as well as a host of other motivational and inspirational factors that have always meant so much for talented young people aspiring to a career in the public service.

15. Essential to restoring pride in the public service is the introduction of meritocratic recruitment and promotion of civil servants through high entry standards and opportunities for career advancement based on performance. Meritocracy bestows prestige on employment in the civil service and encourages high-quality staff to choose government as the "employer of choice". A merit-based recruitment and promotion system, which has become an integral part of the "psychological contract"[8] between staff and managers in the public sector, is also likely to foster a culture of performance-orientation and professionalism in the civil service, thereby forging better congruence between the expected and actual behaviour of civil servants.

16. One way to improve and retain very qualified young staff members is to develop better promotion policies. For example, an opportunity to be given more challenging tasks and to be promoted through one's own achievements may play an important part in recruitment and retention. Another way to recruit highly qualified young graduates to government could be to provide attractive opportunities for more intensive vocational and professional training in the public service. A programme to build up the professional capacities of talented young staff, combined with attractive career development potential, could play a key role in enhancing the competitiveness of the public sector in recruiting top graduates vis-à-vis the private and non-governmental sectors.

2. Enhancing respect for professionalism

17. Empirical evidence clearly indicates that well-functioning bureaucracies can promote growth and reduce poverty.[9] Towards that end, competitive or merit-based recruitment and promotion is considered essential for building an effective bureaucracy. Countries where political appointments run deep in the civil service, combined with low remuneration of officials, and weak institutional checks and balances, generally have achieved much lower rates of economic growth and social development. In that respect, it is particularly important to clarify the respective role of politicians and senior civil servants in public management, as that relationship can greatly affect the degree of professionalism in government.

18. A well-functioning civil service is generally characterized by professionalism, efficiency and responsiveness, impartiality, high ethical standards, esprit de corps, and long-term perspective. In sum, there is solid congruence between the expected and actual behaviour of public servants. However, in many countries, the civil service does not meet those criteria, but is rather characterized by patronage, clientelism, a low level of professionalism and efficiency, and a high degree of corruption. Institutional capacity and political will are therefore very much required to transform the organizational culture in the public sector under those conditions. Some countries are already making solid progress in that regard. In Africa, for example, South Africa, Namibia and Ghana have made concerted efforts in recent years to bring their civil service laws into conformity with high standards of professionalism and ethics.

19. The restructuring of the public service in many countries in recent years has often resulted in some retrenchment of civil servants and recruitment of new ones from the private and non-governmental sectors. While the new entrants have often brought with them private sector values and practices, at the same time that strategy has sometimes created new challenges, such as the need for intensive skill-building of the incoming staff to enable them to comprehend existing policy frameworks, as a precondition for the design of effective implementation strategies for improved service delivery. Overall, the strategy of outsourcing private sector personnel to perform public sector duties seems to offer some promise in terms of raising professional standards and efficiency, particularly where the quality and responsiveness of service delivery has traditionally been very low.

20. The adoption of the New Public Management[10] model has also generally resulted in greater political accountability of senior policy makers in government. But, how the evolving civil service system will balance the traditional principle of political neutrality of public servants, which has underpinned the career-based system, with new demands for enhanced responsiveness of civil servants or what is often termed "professionalism" will most likely be a significant challenge under the New Public Management framework. While that question is central to the design of any professionally-oriented civil service system, and the preferred model will differ from one country to another, there is consensus that human resources management frameworks in the public service should always promote high ethical standards and responsiveness, as well as the application of the merit principle in recruitment and promotion. In most developing countries, where the supply of highly trained staff is generally low, combined with weak institutional systems of checks and balances, the establishment of a career system would seem to be much more likely to strengthen both professional personnel management and the administration of the public sector.

3. Improving conditions of service

21. A 1996 study[11] by Evans and Rauch concluded that meritocratic recruitment and promotion and adequacy of pay were correlated with economic growth, as well as with investors' perception of bureaucratic capability, even after allowing for income and educational differences. That finding highlights the importance of adequate pay in attracting and retaining highly qualified staff in the service of the State. However, in many developing countries the remuneration of civil servants, particularly senior officials, has been rapidly declining in recent years, compared with peers in the private and non-governmental sectors. At the same time, the number of public servants has risen significantly owing to political pressure to find work for those unemployed. The net result has been significant erosion in the salaries of civil servants, which has seriously eroded the competitiveness of the State as an employer of high-quality staff. In addition, the salaries of senior officials who formulate public policies and direct their implementation have often been allowed to erode more than those in the lower echelon of the civil service for political reasons, greatly undermining the ability of the State to recruit talent in important senior level posts. In the United Republic of Tanzania, for example, it is estimated that the purchasing power of civil service salaries in 1986 was only one twentieth of what it had been in 1969, with quite dramatic effect on staff productivity.[12] While the wages of civil servants is not the only incentive to attract competent staff to government, salaries are an increasingly important factor when competing for new staff, particularly highly qualified young graduates.

22. There is no universal standard of the optimal ratio between remuneration in the public and private sectors. In some countries, such as Singapore, the salaries of civil servants may in fact be higher than those in the private sector. However, that is the exception to the rule. Generally the remuneration of public servants compared to private sector employees is considerably lower. However, if the performance of the civil service in many countries is to be significantly enhanced, Governments, in many instances, will have to reduce the number of public servants, decompress the wage structure, and raise average wages. That process, on the other hand, will always be politically difficult and require extensive consultations with representatives of staff unions. Some countries are also introducing new remuneration policies and creating performance-based and other incentives to attract and motivate staff. A few countries, for example, have introduced independent remuneration review boards to guide the Government in decisions concerning salaries of top officials in government based on well-defined criteria. Those institutional approaches have generally introduced greater professionalism and transparency in salary decisions of senior officials in the public service.

III. Building blocks for capacity development of human resources

This section will focus on the development of a capacity development strategy, composed of five main components and aimed at enhancing the quality of the human capital in the public sector.

A. Constructing an appropriate institutional framework

23. While there is general consensus on the core competencies required for an effective public administration, there is much less agreement among politicians, practitioners and academics on the most appropriate institutional framework to foster the development of those important skills. Two competing models have evolved over the past few decades, offering possible solution to Governments to that challenge. The first one is the traditional career-based system, while the second one is the job-oriented New Public Management model. Both have important strengths and weaknesses, but are very much premised on different administrative precepts, assumptions and value systems, ultimately offering quite a contrasting profile of the "ideal public servant".

24. Selecting the career-based system, the New Public Management model, or a mix of both, will always depend on the local context. For example, the New Public Management model would tend to be suited where the following conditions are met: large supply of skilled individuals in the labour market; respect for the rule of law; relative absence of nepotism, political clientelism or patronage in public administration; a tradition of transparency in recruitment, remuneration, and promotion of staff in the public service; and a culture in society of geographical and occupational mobility. Even where the above conditions are present, the job-oriented model may stand a better chance in occupational groups that exist in both the private and public sectors, and where the conditions of service are relatively comparable. On the other hand, it would seem that the above conditions are very seldom met in developing countries, whose capability and culture, in most instances, may not yet be ripe for the adoption of the New Public Management model. Developing

countries would therefore generally be well advised to opt for the establishment of an effective central personnel management authority, capable of acting as a professional, fair, and apolitical guardian of the best traditions and values in the public service, as well as the adoption of a career system to ensure merit-based employment, coupled with strong focus on capacity development of staff. More recently, some countries have opted for a mixed model by setting up a Senior Executive Service, to promote greater cohesion among high-level civil servants in the public sector; to promote the maintenance of institutional memory; and to align the interests of key officials with that of the State. Other posts in the civil service, however, would be subject to open competition in the labour market according to that model.

25. The traditional career-based system would generally provide the best institutional framework for recruitment and retention of staff in the following functional areas: (a) where the Government has a monopoly, or where the private sector plays no significant role; (b) a high degree of discretion and confidentiality is required; (c) a high degree of consistency is demanded or where institutional memory is an important factor, arguably more important than the mastery of technique; and (d) where the need for neutral competence, objectivity and impartiality calls for some considerable degree of separation from both partisan activities and profitable pursuits. Posts falling in those categories would often include high-level policy analysts, policy advisers, programme managers, resource managers (financial, human, information), judges, auditors and controllers.

26. Considering the financial and economic pressures facing most countries, as well as recent trends in information and communications technologies, in labour markets, and globalization more generally, there seems to be an emerging consensus that Governments would be well advised to consider a gradual move towards the development of more open and flexible employment frameworks, while ensuring that they are also equitable and well structured and promote the maintenance of traditional ethos and a high level of accountability in the public service, including the impartiality, professionalism and long-term perspective of civil servants. By now it is also well accepted that no country can replicate the human resources management reform of another country. Developing countries should therefore pursue a cautious approach with regard to the adoption of civil service models originating in more economically advanced countries, as mentioned earlier. That means that while good public administration principles, such as efficiency, transparency, responsiveness and accountability, remain universally accepted, countries will have to adapt them to the local context. While the delegation of recruitment of staff from central agencies, such as public service commissions, to ministries and departments has generally proved effective, the existence of adequate oversight and quality control mechanisms in that area is essential to avoid abuse and malpractices. The delegation of recruitment responsibilities should therefore generally be devolved gradually, particularly in countries where there is a lack of human resources management capacity in ministries and departments. Strong capacity for human resources management should therefore be built in parallel in ministries and departments as related functions are devolved.

27. Owing to the evolving nature of business planning in public sector organizations, with more emphasis on well-defined outcomes and outputs, the strengthening of human resources management and the reform of financial management systems should also go hand-in-hand. Human resources management

and financial management-related reform should therefore be carefully synchronized to ensure satisfactory alignment in the utilization of those key corporate resources. The implementation of different components of human resources management-related reform should also be internally well coordinated. In addition, human resources managers should play a more influential role in corporate decision-making processes, irrespective of whether the Government decides to adopt a career-based system or the job-oriented model.

B. Identifying common values and professional standards

28. Codification of principles and expectations of behaviour of civil servants has always been a key component of public administration-related reforms. Public service professionalism is usually used to describe the behaviour of civil servants when characterized by loyalty, neutrality, transparency, diligence, punctuality, effectiveness, impartiality, as well as other values important in the local context. Public service professionalism embraces the notion that public servants need to be imbued with shared values, and trained in core skills essential for the performance of their duties. For example, a career system based on the merit principle, which fairly and impartially recruits and promotes public servants, will always set the tone and tenor for other performance-related standards in the public service. Further, well-articulated and fair human resources policies and practices as they relate to appropriate remuneration, training opportunities, disciplinary procedures and the like are also integral to the development of effective professional standards. More importantly, a culture of professionalism and pride needs to be progressively nurtured through the recognition of good work of teams and individuals, as well as correction of poor performance.

29. Public service ethics is generally defined as the broad norms that define how public servants, as agents of the State, and, where applicable, as members of an established profession, such as accounting, finance, economics, law, etc., should exercise judgement and discretion in carrying out their official duties. A public service committed to professionalism is more likely to attain its goals if it has in place an effective ethics infrastructure, consisting of relevant rules, codes of conduct and guidelines that provide incentives for public officials to act in a transparent and accountable manner, and, where necessary, penalties for breaking professional norms and standards. Governments would also do well to intensify training efforts to make the public sector corruption-free.

30. The development of effective institutional structures and healthy organizational culture and ethos are essential for efficient and responsive public service management. The former can be described as the sum of the expected behaviours prescribed in formal documents and setting expectations regarding objectives and outcomes for a given course of action. The latter, by contrast, is defined as the actual behaviours observed in organizational life; the values, standards and norms which are really put into practice by staff. A key objective of public administration-related reform, particularly at initial stages, is to promote greater alignment between the two. The compliance of members can be elicited either through the force of example, or as a result of tradition or deeply ingrained habits. How such dynamics are brought about is a complex subject, which can only be explained by a good understanding of the interaction between culture, incentives and capabilities in the public service at the national level.

31. The greatest strength of any public administration is the quality of its civil servants and managers. The art and science of management is therefore to create an organizational culture and environment that enables civil servants to contribute to their maximum potential. Experience has shown that in order to promote the development of a new culture in the public service and to build up the necessary human resources capacities, it is important to define carefully the core values, competencies and standards that are directly related to the successful performance of staff and managers. Once those have been defined, an appropriate country-specific "values framework" and "competency model" can be used as the base for capacity development and training in the public sector, as well as recruitment, promotion and performance appraisal. As a first step in the transformational process, leaders should initiate a participatory process to define the common values of staff in the public sector, as well as core professional and managerial competencies. It is particularly important that the definition of the values, standards and core competencies be undertaken through a participatory process to promote awareness, ownership and accountability of staff. The adopted "values framework" and "competency model" should also be widely publicized in society to foster a culture of transparency and accountability in the public service.

C. Developing competency frameworks for core professional groups

32. The development of effective public service management will not only require the adoption of an appropriate legal, policy and institutional framework, and the identification of sound professional standards and values, but, even more importantly, extensive skills development of staff as well. To promote sustainability of the reform process, Governments would be well advised to involve civil servants in the development of institutional frameworks and professional standards, as well as in the identification of core competencies to be fostered in the public sector. The menu of professional competencies to be developed in the public sector will always depend on the local context, as well as the strengths and weaknesses of the human capital. An important objective with the definition of both core and specific competencies is to develop shared language as it relates to performance standards and technical and managerial excellence. To promote the realization of that goal, the paper suggests the design of harmonized competency frameworks in five core areas, namely, (a) leadership, (b) management, (c) policy analysis, (d) human resources management, and (e) information technology.

33. Empirical evidence suggests that 20 per cent of increased efficiency and productivity in public organizations can be explained by the introduction of new technologies, while the remaining 80 per cent depend more on the quality of management, leadership and innovation. How people are engaged, treated and developed in the change process will ultimately determine whether staff is productive or not. The exercise of leadership is therefore highly complex and requires very special skills and personal attributes, often associated with emotional maturity and intelligence. Many Governments are undertaking reviews of leadership and management competencies. The Public Service Commission of Canada, for example, recently undertook an extensive study to define core leadership competencies for the twenty-first century. Those competencies were grouped into five main categories: (a) intellectual, (b) future-building, (c) management, (d) relationship, and (e) personal.

34. UNCEPA has repeatedly advised Member States to strengthen capacity development of managers responsible for the delivery of public services. Apart from possessing technical knowledge, managers need to be equipped with supervisory, negotiation, organizational and communication skills as well. To nurture effective managers, organizations should put in place appropriate management development programmes, aimed at providing both hands-on (e.g., rotational assignments, secondments, etc.) and formal educational opportunities (conducting workshops, supporting university education, sabbaticals, etc.).

35. Better skills in policy analysis can enable public administrators to play a more effective role in national development. Public administrators need to have skills to develop, assess and evaluate different policy options. Policy analysis and development always requires careful balancing of interests of different stakeholders, affected by the policies concerned. To acquire and maintain policy analysis skills, public administrators need to have opportunities for regular ongoing education through university courses, by attending conferences and workshops, as well as by having access to other self-study resources.

36. To retain and develop its fair share of the best talent, public sector organizations need to adopt policies aimed at planning, recruitment, education, development and motivation of employees. To institutionalize those functions, they will need to put in place units and administrative systems, properly resourced and effectively managed. The latter requires strong cadres of human resources professionals, who should be properly developed through deliberate and sustained capacity development programmes, based on clear competency requirements. Human resources management should not be just a support function involved in managing personnel processes and ensuring compliance with rules and regulations. Instead, it must have the mandate and capacity to design and implement human resources management approaches to attain the strategic goals of the respective public sector organization.

37. Recognizing the potential benefits of enhanced use of information technology in public management, Governments are increasingly introducing such innovations into the management of both programmes and operations, particularly, in the areas of planning, financial management and accounting, delivery of public services, and human resources management. Training in the use of information technology should also become part and parcel of career development programmes in public organizations. That training should consist of different kinds of programmes, including basic training focusing on capacity development of public employees in the use of information technology, as well as specialized training for staff who are responsible for running information technology infrastructures.

D. Designing effective capacity development strategies

38. Training is the basic engine for administrative change. It involves the development of the requisite knowledge, skills, values and attitudes of staff at all levels. In a more complex and demanding working environment, civil servants, while, advancing the public interest, increasingly need more high-level competencies and skills to relate to politicians, other government departments, as well as key stakeholders, including more in-depth knowledge of society itself. At the

same time, there is a great need to invest in capacity development of administrative support staff to promote more efficient public management.

39. Civil servants also need greater understanding of the complexities of political and administrative decision-making processes. Clear understanding of roles and responsibilities in the administrative system is essential for efficient and responsive delivery of services. Transparent, responsive and equitable administration of public policies is increasingly a clear expectation of citizens and politicians alike. Each organization should therefore have in place a training and capacity development strategy, aiming to foster a spirit of professional development, continuous learning, receptiveness to innovations and new approaches, and knowledge acquisition among staff. New methodologies and training tools also need to be developed to promote a culture of innovation and experimentation among staff in the public sector.

40. There is no single model more suitable than others when it comes to the delivery of training and capacity development of staff in the public sector. For example, central training institutions tend to promote greater sense of identity and solidarity among public servants, while universities may promote more critical problem-solving and exchange. The "learning organization" model on the other hand, makes the institution itself the locus of knowledge acquisition and capacity development, particularly through internal mentoring and coaching. The selection of a particular institutional arrangement will always depend on existing capacities, as well as the national and regional context. Most national training strategies would therefore require a mix of different institutions to deliver capacity development and training. Regular assessments should also be undertaken of the effectiveness of training efforts. At the outset, the objective of training has to be firmly established. For example, is the goal to transmit values, skills or knowledge? That analysis will determine the selection of the respective institutional model.

E. Institutionalizing human resources planning

41. UNCEPA emphasized at its Second Meeting in April 2003 the importance of Member States adopting a strategy to combat ongoing erosion of human resources capacities in the public sector. According to the Committee, key elements of such a strategy should include: establishing human resources planning management systems and units; professionalizing the public service, including human resources management; enhancing the social value of service to the public; creating a learning culture in public institutions; and utilizing the best talent from underrepresented groups. The Committee also stressed the need to develop strong cadres of human resources management professionals in the public sector, including effective information management.

42. The present paper suggests that Governments may wish to consider institutionalizing a participatory process at the country level to prepare a medium- to long-term strategy to assess the state of the human capital in the public sector. A regular analytical report on the state of human capital in the public sector could enable Governments to measure more systematically the progress of capacity development efforts. The report could analyse key issues and trends affecting human resources management, including forecasting of current and emerging skills required in the public service; upcoming vacancies; succession planning; performance appraisal; remuneration; workload analysis; and staff development and training.

Some countries, such as Australia, have already begun to publish an annual report of that nature. Institutionalizing such a process in central government could also strengthen the development of institutional memory in human resources management units in ministries and departments.

IV. Conclusion: human resources capacity is key to high-quality public administration

A. Capacity development of staff requires long-term perspective and commitment

43. **The core message of the present paper is that human resources capacity is critical to the quality of public administration in any country. Capacity development of human capital, however, does not happen overnight or in a vacuum. It requires effective implementation of a holistic and homegrown strategy, underpinned by long-term political commitment. Leadership is essential as the transformation process in most countries is more about reforming values and attitudes than the development of new knowledge and skills of staff. Changing the administrative culture in the public sector is also likely to require sustained efforts over a long period of time. Reversing the ongoing erosion of human capital in the public sector in many countries will similarly require comprehensive planning and the creation of dedicated and highly qualified human resources management capacities in ministries and departments. It also requires putting in place an effective enabling environment aimed at restoring pride in employment in the public service, raising respect for professional standards, as well as improving the conditions of service for staff. For example, if Governments cannot enhance their competitiveness in the labour market vis-à-vis the private and non-governmental sectors, they will find it very difficult to recruit and retain highly competent staff. While the level of remuneration is not the only factor in the recruitment and retention of senior officials, it is particularly important when it comes to attracting new staff into the public service, including those with specialized skills. Those competitive pressures in the labour market have also increased the role of other key non-monetary rewards, such as improved career opportunities and greater empowerment of highly competent and dedicated staff.**

B. Merit-based recruitment and promotion in the civil service is essential

44. **The key to restoring pride in the public service is the introduction of meritocratic recruitment and promotion of civil servants through high entry standards and opportunities for career advancement based on performance. Meritocracy bestows prestige on employment in the civil service and encourages high-quality staff to choose government as an "employer of choice". A merit-based recruitment, remuneration and promotion system, combined with fundamental reform of human resources management systems and practices, is also likely to foster a culture of performance-orientation in the civil service. Retaining highly qualified staff in the public service will also**

require the development of a strategy that includes the following: development of a plan to enhance the image of the public sector; promotion of equitable representation of all relevant groups in the civil service; provision of good career development opportunities; adequate job security; competitive remuneration; education and training opportunities, recognition and reward for excellent performance; and a healthy working environment.

45. Whether countries should adopt a career-based system or the job-oriented New Public Management model will ultimately depend on the specific local context and capacities. Where well-qualified human resources are in large supply and an effective institutional oversight and compliance mechanism already well established, for example, the introduction of more open recruitment systems may in fact improve the overall effectiveness of government. In most developing countries, on the other hand, where the supply of highly trained staff is much lower, combined with weak institutional systems of checks and balances, the establishment of a career system would seem to be much more likely to strengthen both personnel management and the administration of the public sector.

C. Determined and skilful political leadership drives the reform process

46. Revitalization of public administration depends more than anything else on the commitment and determination of the political leadership. Commitment of political leadership is therefore essential for the formulation of a strategy to strengthen the capacity of human capital in order to revitalize public administration at the national level. As mentioned earlier, empirical findings support the notion that the quality of leadership is a determining factor in explaining successful public sector reform initiatives in Member States. By promoting leadership development at all levels, Governments can help inculcate a culture of problem-solving and initiative-taking in the public service. The exercise of leadership is highly complex and capacity development of leaders has to take that into account. For example, it has been noted that senior executives, while highly driven and results-oriented, often do not possess effective skills in building relations with staff and stakeholders. Another perceived weakness in the capacity of many senior officials in the public sector is sometimes lack of ability to project a strategic vision for the respective organization.

D. Training of staff is an important engine for administrative change

47. Public administration cannot be reformed or revitalized without capacity development of staff. It involves the development of knowledge, skills, values and attitudes of staff at all levels in the public sector. There is no single institutional model more suitable than others when it comes to the delivery of training and capacity development of staff in the public sector. The selection of a particular institutional arrangement will therefore always depend on existing capacities, as well as the national and regional context. Most national training strategies would therefore require a mix of different institutions to deliver

capacity development and training of staff. The first step is always to define the objective of the training effort and then to determine which institutional modality is most likely to be effective in realizing the respective goal. For example, is the objective to transmit values, skills or knowledge? That analysis will determine the selection of the respective institutional model. Central training institutions, for example, are often considered well-suited to inculcate common values and standards in the public sector, while other mechanisms may be more effective in imparting knowledge and professional skills. Therefore, the key issues to be considered in selecting appropriate institutional models for the delivery of training include: (a) the purpose of the training; (b) the target group; (c) the specific content; (d) the training modality; and (e) the available resources.

V. Role of the United Nations Programme on Public Administration and Finance

48. The challenge of revitalizing public administration through capacity-building of human capital is both complex and dependent upon the development and effective implementation of a holistic and long-term approach. The United Nations Programme on Public Administration and Finance has the mandate, the expertise and the experience to make a focused contribution to enhance the capacities of Member States to meet that important challenge. The Committee is encouraged to prioritize activities proposed by the Programme in this area.

To Member States:

- To adopt a national strategy to further strengthen the management of human capital in the public sector, including developing a plan to attract and retain a fair share of the best talent in the service of the State
- To review recruitment and incentives strategies with the aim of making public sector employment more attractive to young and talented graduates
- To strengthen medium- and long-term human resources planning in the public sector
- To incorporate principles expressed in regional public service charters into relevant provisions of national legislation and ethics infrastructure
- To promote gender mainstreaming and respect for diversity in human resources planning and management strategies

To the United Nations:

- To further elaborate, the linkages between quality staffing and revitalization of public administration in the next *World Public Sector Report* (scheduled for publication in 2005) will be devoted to human resources development

- **To discuss selected priority human resources management-related issues in forums at the regional level, as part of the preparatory process for the publication of the 2005 *World Public Sector Report***
- **To create a hub on the United Nations Online Network on Public Administration and Finance, dedicated to the development of the 2005 *World Public Sector Report***
- **To disseminate the recently developed CD-ROM on recruitment strategies[13] in the official languages of the United Nations to Governments and relevant institutions, and to consider preparing a similar product on human resources planning in the public sector**
- **To complete the design and pilot testing of a leadership development training programme for senior government officials in Africa[14]**
- **To support the work of the New Partnership for Africa's Development in the area of human resources development in the public sector in Africa**
- **To continue to raise the profile of the United Nations Public Service Awards in order to encourage a greater number of organizations in Member States to participate in this important process**
- **To prepare a publication of selected innovations that have been recognized through the United Nations Public Service Awards**
- **To prepare targeted training modules based on the findings and recommendations of recent policy analysis studies of the State of accountability and transparency in the public sector in the Africa and Arab States region respectively[15]**
- **To target some technical cooperation activities to capacity development of human resources**

Notes

[1] See *Official Records of the Economic and Social Council, 2002, Supplement No. 24* (E/2002/84-E/CN.16/2002/8), summary.

[2] See *Official Records of the Economic and Social Council, 2003, Supplement No. 44* (E/2003/44-E/C.16/2003/6), para. 10.

[3] Ibid., para. 14.

[4] Academics have discerned four broad types of organizations in the public sector: (a) the "production organization", where both outputs and outcomes are observable (i.e., revenue authorities); (b) the "procedural organization", in which managers can observe the outputs, but not the outcomes (i.e., army at peacetime); (c) the "craft organization", where the activities are difficult to observe, but the outcomes are more easily observable (i.e., public engineering project); and (d) the "coping organization", where neither the outputs nor the outcomes are easily observable (i.e., public school).

[5] World Bank, *World Development Report 1997: The State in a Changing World* (Washington, D.C., July 1997), chap. 5.

[6] For the purpose of this background paper, the public sector is defined as including institutions in all branches of the State — the Executive, the Legislative and the Judiciary. The Executive arm is considered to encompass the civil service, local governments, publicly owned enterprises and the quasi-public sector. The public service comprises all institutions in the Executive. The civil

service generally constitutes the permanent secretariat or appointed officials of a national Government.

[7] See keynote address by Gerald and Naomi Caiden at the American Society of Public Administration (ASPA) National Congress in Phoenix, Arizona, March 2002.

[8] The term "psychological contract" was first coined by Prof. Chris Argyris in the 1960s and is defined as the unwritten and uncodified area of employment relationship. A key feature of the "psychological contract" is that the individual assents to make and accept certain promises as he or she understands them. The extent to which promises and expectations are met by the employer will generally have a pivotal impact on the health of the "psychological contract".

[9] See *World Development Report 1997*, chap. 5.

[10] "New Public Management is a field of discussion largely about policy interventions within executive government. The characteristic instruments of such policy interventions are institutional rules and organizational routines affecting expenditures planning and financial management, civil service and labour relations, procurement organization and methods, and audit and evaluation. These instruments exercise a pervasive influence over many kinds of decisions within government. While they do not determine the scope or programmatic content of governmental activity, these government-wide institutional rules and organizational routines affect how government agencies are managed, operated and overseen: they structure that part of the government process usually described as public management. In recent years, political executives, central agency leaders, and legislators in numerous settings have demonstrated interest in policies affecting public management, the best-known cases of which are the United Kingdom, New Zealand and Australia." Michael Barzelay, *The New Public Management: Improving Research and Policy Dialogue* (University of California Press, 2001).

[11] Peter B. Evans and James E. Rauch, "Bureaucratic Structure and Economic Growth: Some Preliminary Analysis of Data on 35 Developing Countries", 1996.

[12] M. Stevens (1994): Public Expenditure and Civil Service Reform in Tanzania, World Bank.

[13] The Department of Economic and Social Affairs, in cooperation with the International Public Management Association for Human Resources, has recently prepared a CD-ROM-based Resource Guide on Recruitment Strategies for use by practitioners in this area.

[14] The Department of Economic and Social Affairs, in cooperation with the Association of Schools and Institutes of Administration (IASIA), have agreed to initiate a four-year effort to improve the quality of education and training in public administration for both the current and next generation of government leaders.

[15] The Department of Economic and Social Affairs, in cooperation with the African Training Research Centre in Administration for Development (CAFRAD), has developed a CD-ROM and training manual on ethical dilemmas (nepotism, favouritism, etc.) to which every civil servant may be daily exposed. These training materials place emphasis on action rather than theory.